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SENSITIVE
SIPDIS

TREASURY FOR RON BLOOM, JEFF BAKER AND ICN (KOHLE)
STATE FOR EEB AND EUR/CE

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SUBJECT: WHAT IS STIRRING NRW M-P RUETTIGERS ON HIS ROAD TO ELECTIONS

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1. (U) Summary: During an October 28 introductory call by the Consul General, North Rhine-Westphalia (NRW) Minister-President Juergen Ruettggers, newly returned from hosting federal coalition negotiations at the NRW representation in Berlin, took stock of national topics and the state of major policy initiatives of President Obama, as well as the state of the global economy, financial/banking controls, and the situation with the pending sale of Opel. He also touched on his efforts on the Auschwitz Foundation to preserve the former concentration camp's infrastructure. His focus was on how the domestic could affect the international. End summary.

Climate Change and the Economy

2. (U) Christian Democratic Union (CDU) M-P Ruettggers, who couldn't resist noting NRW's status as the world's 17th largest economy, focused on what President Obama might accomplish domestically which could have international resonance. On the upcoming Copenhagen climate change meeting, Ruettggers wondered whether the U.S. will come prepared to offer more than domestic regulatory advances and a changed attitude. He expressed concern with what he understood was the U.S. Senate's refusal on principle to ratify international treaties. The CG pointed out that the President had recently pushed through a UN human rights treaty that had languished for some years, indicating a different approach by the new Administration.

3. (U) With regard to the world economic crisis, the M-P was cautious. The prognosis here in Germany is that while the economic downturn may have hit bottom, it is too early to declare victory. It could be a long, slow slog before we would really see the light at the end of the tunnel. Many companies that have held on to workers in the hope of an upturn might start letting people go, fuelling unemployment. As all seek to stabilize financial institutions, he wondered whether the U.S. administration would be prepared to agree to tougher international regulatory standards, or would rely on domestic changes. Asked what the alternative would be, Ruettggers responded that agreement within the EU was the next best alternative, though he worried about New York bankers lobbying

their UK counterparts to hold out. In that case, though international regulation would be the preferable, they might have to settle for Euro-zone regulation, which he saw as attainable. He was betting the excess liquidity currently searching for a home would, in the current more cautious environment, find its way to those markets with the best, most reliable regulatory standards. Though the U.S. was keen to gain an influx of investment to finance its deficit, he saw the drop in the value of the Dollar versus the Euro as a signal that better regulatory regimes would win the day.

Opel

14. (SBU) Ruetters then turned to the subject of the Opel sale from GM to Magna. Shortly prior to the meeting, he had learned that GM's board of directors had again delayed signing the agreement finalizing the sale of Opel to Canadian company Magna by another week. Complaining that the ongoing situation with Opel has "cost (NRW) lots of money," Ruetters emphasized that whatever one thinks of Magna, Frank Stronach is "ready to sign," but GM management continues to create delays. He then went on to say that if GM believes for a minute that NRW or any German state would give a penny to GM if it tries to retain Opel, then GM has seriously miscalculated. GM, he said, has made too many mistakes in recent years, and now has no capital with which to back up its bravado. Ruetters explicitly exempted GM's chief Opel negotiator Fritz Henderson from this criticism. The Opel issue, he added, had been a topic of tough conversation during the federal coalition negotiations, but he rejected German press speculation that Rainer Bruederle (FDP), the new Federal

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Economics Minister, would reconsider the deal with Magna in favor of a GM-based solution. Such unfounded speculation, as well as problems with EU officials in Brussels, he implied, were intentionally disseminated by GM in Detroit.

Saving Auschwitz

15. (U) An entirely different topic was Ruetters' efforts to work with the Auschwitz Foundation, including Polish Minister of State Bartoszewski, to find a solution to the uncomfortable problem of Auschwitz's crumbling infrastructure, and the even more dire straits of Birkenau. The buildings were not built to last, the bricks are disintegrating, and a solution must be found, according to Ruetters. As the only German member of the Foundation, Ruetters was clear in his determination to work toward a solution.

Comment: A Topic that Hit Home

15. (SBU) Ruetters was clearly agitated when discussing Opel and GM. He can be expected to oppose any deal where GM would retain Opel as a full subsidiary, since he likely fears the plant in Bochum, NRW would be one of the first victims of such a solution. At the very least, he would be keen to avoid a decision on the future of Bochum until after the May 9, 2010 NRW state elections. Though passionate on the Opel issue, Ruetters

went out of his way to be forthcoming and friendly, and to underscore the importance for NRW - and its economy - of continued strong ties with the U.S.

¶6. (U) This message was coordinated with Embassy Berlin.
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